

EXHIBIT 2

IN THE CIRCUIT COURT OF TALLAPOOSA COUNTY
AT ALEXANDER CITY, ALABAMA

MARGARET TURNER WHETSTONE,)
Plaintiff,)
v.) CIVIL ACTION NUMBER:
FRED'S INC., et al.) 2005-246
Defendants.)

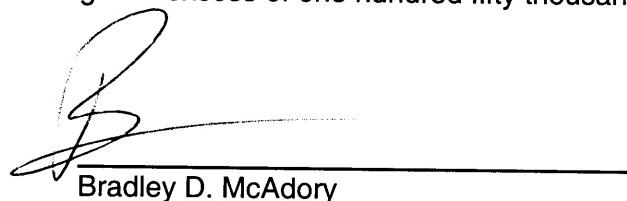
AFFIDAVIT OF BRADLEY D. MCADORY

1. My name is Bradley D. McAdory, and I am above the age of nineteen (19) years. I am Assistant General Counsel for Fred's Stores of Tennessee, Inc. (wrongfully named Fred's, Inc. in this lawsuit).

2. This Affidavit is given in support of a Petition of Removal filed by Fred's Stores of Tennessee, Inc. in the matter brought against it by Margaret Whetstone.

3. In May, 2004, I received a letter from Ms. Whetstone's attorney, Timothy Davis, making a settlement offer of one hundred fifty thousand dollars (\$150,000.00) on behalf of the plaintiff. The letter was dated May 14, 2004.

4. The letter stated that the plaintiff would institute legal proceedings against Fred's if it did not accept the offer, and would ask for damages in excess of one hundred fifty thousand dollars (\$150,000.00).



Bradley D. McAdory

STATE OF TENNESSEE)
COUNTY OF SHELBY)

On this the 1st day of December, 2005, before me a Notary Public, within and for said county and state, personally appeared Bradley D. McAdory, to me known to be the identical person described in and who executed the foregoing instrument, and acknowledged that the same is true, and that after reading the same or having the same read to him, and with a full understanding of the terms and the effect thereof, executed the same as his free act and deed and for the purposes therein expressed.

Notary Public
My commission expires:

